

Washington, DC – Rep. Peter DeFazio (D-OR) and Louise Slaughter (D-NY) reintroduced the Health Insurance Industry Fair Competition Act that requires the health insurance industry to operate under the same anti-trust laws as all other industries in America. Last year, during the highly-charged political atmosphere of the healthcare debate, the House passed this legislation with a super majority of bipartisan support by a vote of 406 to 19.

“No matter what political ideology, most can agree that insurance companies should play by the same rules as virtually every other industry in America. Right now, it is legal under federal law for insurance companies to collude to drive up prices, limit competition, conspire to underpay doctors and hospitals, and price gouge consumers. This legislation is a huge step in the fight to address the rapidly escalating cost of health insurance premiums. If 406 members could support this last year, there’s no reason to a not pass it again this year,” DeFazio said.

“Prior to the 1940s, insurance companies were regulated by the same anti-trust laws as almost every other industry. With the passage of the McCarran-Ferguson Act, Congress created what was meant to be a temporary exemption for them. It has remained in place to this day at the expense of consumers,” said Slaughter. “I’ve heard too many complaints about the health insurance industry engaging in price fixing, bid rigging, and other anti-consumer and anti-competitive practices. It’s well past time that Congress act to strike this sweetheart deal. The last Congress knew this to be a bipartisan and sensible proposition. I hope this Congress knows that as well.”

Background

The insurance industry has operated beyond the reach of America's anti-trust laws since the McCarran-Ferguson Act was passed by Congress in 1945. McCarran-Ferguson leaves regulation to the states, many of which have inadequate resources and inconsistent enforcement. A recent study shows that in [six of the seven most concentrated markets](#) for health insurance—no significant consumer protection actions have been taken against health insurers in the past five years. This result has allowed insurance companies to collude amongst themselves.

It will end this practice by **subjecting the health insurance industry to *all* federal anti-trust laws and by giving the**

Department of Justice the authority to go after anticompetitive practices of health insurers if the states are unable or unwilling to do it themselves. The Consumer Federation of America has said that this action alone could save consumers billions of dollars.

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